

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)	
OF DELMARVA POWER & LIGHT COMPANY,)	
D/B/A CONECTIV POWER DELIVERY, FOR)	PSC DOCKET NO. 03-547T
APPROVAL TO REVISE ITS RATES UNDER)	
SERVICE CLASSIFICATION "X")	
(FILED DECEMBER 23, 2003))	

ORDER NO. 6409

WHEREAS, Delmarva Power & Light Company, d/b/a Conectiv Power Delivery ("Delmarva" or the "Company"), has filed an application to revise the rates and charges in the Service Classification "X" portion of its Electric Tariff, which section sets forth the rates Delmarva will pay to purchase electric supply from those "Qualifying Facilities" with a generating capacity of 1000 kW or less, as well as the interconnection and metering charges associated with such purchases;

WHEREAS, the Commission in Order No. 6341 opened this docket and allowed the proposed rates to go into effect on a temporary basis, subject to a refund for purchases made on or after April 1, 2004;

WHEREAS, the Commission has reviewed Staff's testimony indicating that the rate should be approved with one modification as discussed below; and

WHEREAS, the Commission held a hearing on this application during its regularly scheduled meeting on Tuesday, May 4, 2004.

Now, therefore, **IT IS ORDERED:**

1. That the Commission, in accordance with Staff's recommendations, Orders that the Company offer alternative approaches to metering and payment for electricity for "Qualified Facilities" of 100 kW or less such that: (a) if the "Qualifying Facility" is a PJM Capacity Resource or seeks to be paid for electricity as delivered based on hourly LMP, an interval meter is to be installed and hourly LMP prices will be used; but (b) if the "Qualifying Facility" elects to sell electricity to the Company at an average monthly LMP rate regardless of when delivered and without a capacity payment, then the meter installation shall be a non-time differentiated device. Any such election shall be made no more frequently than annually. Tariff sheets reflecting this modification, including identifying the metering charges applicable for interval and non-time-differentiated metering should be filed with the Commission within thirty (30) days of this Order.

2. That the proposed Service Classification "X" rates set forth in the application and proposed tariff sheets filed by Delmarva Power & Light, d/b/a Conectiv Power Delivery, on December 23, 2003 and modified as required in paragraph 1, are hereby approved by the Commission.

3. All other terms and conditions in the application are hereby approved.

4. The Commission reserves the jurisdiction and authority to enter such further Order or Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Donald J. Puglisi
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary